

FISCAL NOTE

Bill #: HB0767

Title: Revise motor vehicle and driving record laws

Primary Sponsor: Brueggeman, J

Status: As Amended in Senate Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Expenditures:		
General Fund	\$1,925	\$2,101
Revenue:		
General Fund	\$21,628	\$12,023
State Special Revenue	\$52,912	\$67,404
Net Impact on General Fund Balance:	\$19,703	\$9,922

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Justice

1. HB 767 provides that the owner of a motorcycle or quadricycle may apply for and obtain a set of specialty licensee plates designed to recognize the efforts of one or more organizations that grant wishes to chronically or critically ill children.
2. To obtain the specialty plates the owner must pay an administrative fee of \$5 upon initial issuance of the specialty plates and an annual donation fee of \$20 upon initial issuance, renewal, or transfer of the special license plates. The \$5 administrative fee must be deposited in the state general fund, and the \$20 donation fee must be deposited in a state special revenue account. The administrative and donation fees are effective January 1, 2004.
3. There were 30,797 motorcycles or quadricycles registered in the state in calendar year 2001 with a growth rate of 2.4 percent annually. By tax year 2006, 10 percent of all motorcycles and quadricycles will have the specialty plates provided for in this bill, and revenue to the general fund and the state special revenue account will grow as shown in the following table:

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HB 767		Number of Specialty Plates				Revenue	
CY	Number of Motorcycles	Number of Initial Issuances	Number of Renewals	Number with Specialty Plates	Percent with Specialty Plates	\$5 Initial Issuance (Gen Fund)	\$20 Donation (SSRA)
2001	30,797	0	0	0	0.00%	\$0	\$0
2002	31,536	0	0	0	0.00%	\$0	\$0
2003	32,293	0	0	0	0.00%	\$0	\$0
2004	33,068	3,307	0	3,307	10.00%	\$16,535	\$66,140
2005	33,862	79	3,307	3,386	10.00%	\$395	\$67,720
2006	34,674	81	3,386	3,467	10.00%	\$405	\$69,340
2007	35,507	83	3,467	3,550	10.00%	\$415	\$71,000
2008	36,359	85	3,550	3,635	10.00%	\$425	\$72,700

- Historically, 80 percent of the total annual motorcycle and quadricycle registrations occur by the June 30th fiscal year end. Revenues in FY 2004 will be 80 percent of the revenue shown in the above table for calendar year 2004, or \$13,228 to the state general fund and \$52,912 to the state special revenue account. Revenue in FY 2005 will be 20 percent of the revenue in calendar year 2004 plus 80 percent of the revenue in calendar year 2005, or \$3,623 to the general fund and \$67,404 to the state special revenue account.
- Revenues based on the bulk purchase cost of \$0.08 for each Montana driving record that reflects a change in license status or conviction activity reported are estimated to be approximately \$8,400 annually.
- Operating expenditures will increase approximately \$1,925 in FY 2004 and \$2,101 in FY 2005 for forms, postage, and envelopes to mail the special motorcycle license plates. Costs for training the counties and division employees will be absorbed in the present budget.

FISCAL IMPACT:

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
Department of Justice		
<u>Expenditures:</u>		
Operating Expenses	\$1,925	\$2,101
<u>Funding of Expenditures:</u>		
General Fund (01)	\$1,925	\$2,101
<u>Revenues:</u>		
General Fund (01)	\$21,628	\$12,023
State Special Revenue (02)	\$52,912	\$67,404
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$19,703	\$9,922
State Special Revenue (02)	\$52,912	\$67,404

INFORMATIONAL NOTE:

- Approximately \$4,000 was deposited in the state general fund in FY 2003 for bulk conviction data extracted from the Montana driving record history database. Based upon concerns for homeland security

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and driver privacy protection, the contracts providing for distribution of these data were terminated at the end of FY 2003 resulting in a decrease of those revenues to the general fund for the 2005 biennium.

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)
Yes. Donations generated by passage of this bill would benefit chronically or critically ill children in Montana.
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? ☒ Yes ☐ No (if no, explain)
- d) Does the need for this state special revenue provision still exist? ☒ Yes ☐ No (Explain) This special revenue account allows for accurate tracking of monies received and expended for this specific purpose of providing benefits for seriously ill children in Montana.
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain) This allows the legislature and the budget office to keep these special funds segregated from the state's business operating costs.
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)
Yes, the monies made available by donations allowed by this bill will help to subsidize benefits for seriously ill Montana children.
- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?) The dedicated revenues allows accurate identification of these funds and accurate tracking of all expenditures made.